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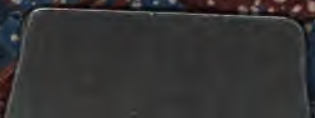
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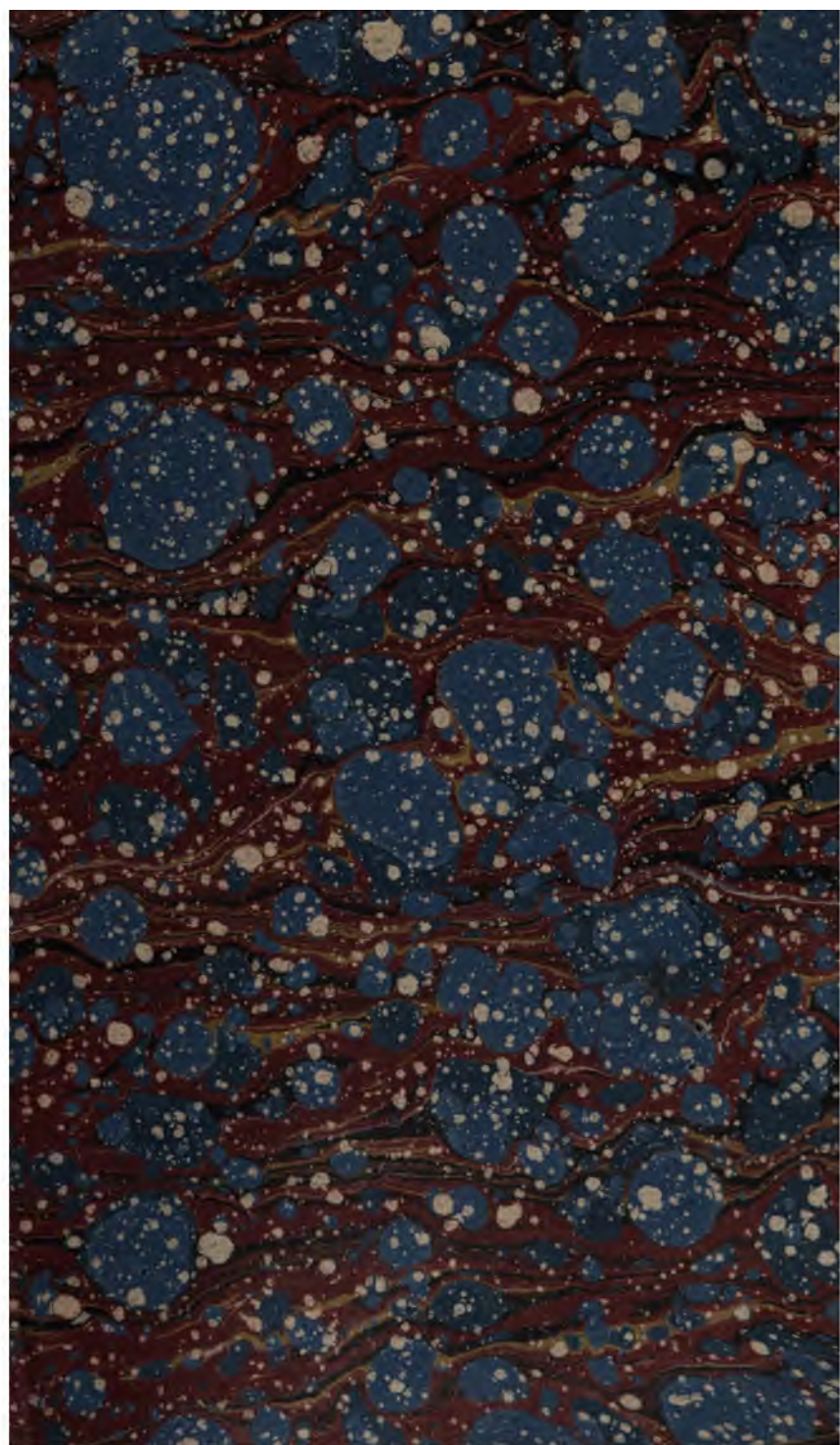
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OBSERVATIONS

32

ILLUSTRATIVE OF THE DEFECTS OF THE
ENGLISH SYSTEM

OF

RAILWAY LEGISLATION,

AND OF ITS INJURIOUS OPERATION ON THE
PUBLIC INTERESTS;

WITH

SUGGESTIONS FOR ITS IMPROVEMENT.

By JAMES MORRISON, Esq., M.P.

LONDON:

LONGMAN, BROWN, GREEN, AND LONGMANS.

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OBSERVATIONS,

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THE extraordinary number of railways projected during the past year, the excessive speculation in shares to which they have given rise, and the heavy losses thereby entailed on many individuals, have naturally drawn a comparatively large share of the public attention to the subject of railway legislation ; which has been further excited by the diversion of capital from other pursuits to the formation of railways, and by the accounts given of the system under which these undertakings are carried on in France. I believe, indeed, that there is no subject which has greater claims upon the immediate and earnest consideration of the country and of the Legislature.

The greater part of the railway schemes projected in the course of last year have failed to qualify themselves for coming before Parliament by the payment into the Bank of England of the parliamentary deposit. But notwithstanding their disappearance, the payment of the deposits on the remaining schemes has produced a very severe pressure on the money market. Indeed, had the time in which this operation has been effected not been one of general prosperity and favourable exchanges in our foreign trade, it would certainly have produced a most disastrous crisis. But, besides the evils which the

multiplication of railway projects have already produced, there remains another question too serious to be overlooked; viz.: whether the railways now in the course of being constructed, and those which are likely to be voted by Parliament during the present session, will not require a larger annual outlay of capital than the country can afford? It is, no doubt, impossible to ascertain with any degree of accuracy either the annual amount of the nett savings of the country, or how much of these may, with a due regard to other interests and the general convenience, be spared for investment in railways. It is plain, however, that the amount of savings must be constantly varying from year to year; that it must depend upon the profits of capital and the state of our foreign trade, and more especially upon the produce of our crops.

But we know, that in a country in a progressive state of social and commercial improvement, and in which every branch of industry is rapidly extending, a great demand must exist for investments for a vast variety of objects, having an equal claim with railways to the consideration of Parliament. A large amount of capital is annually required to meet the immense expenditure incurred in adding to our towns, and in the construction of the new establishments which are constantly arising and spreading on all sides in the great seats of manufacturing industry. And, not to speak of other demands, an outlay of many millions a year will certainly be required for many years to come, in carrying on those most beneficial improvements in draining and agriculture that are now everywhere practised or called for, and that have already made such immense additions to the productive capacities of the country. I am inclined to think that those whose opinion upon such a subject is best entitled to consideration, would regard it as a very liberal estimate

were it to be supposed that twenty, or at most five-and-twenty, millions a year could be advantageously applied to railways.

But it appears that we are actually expending TWENTY-FOUR millions a year, or thereabouts, on the railways *now* in progress; and the immense number of railway projects which it is supposed will be sanctioned in the course of the present session, will, if they take effect, double, or it may be, treble this expense; that is, they will double or treble the sum which the country can conveniently spare for such projects. So disproportionate a drain on our resources cannot fail greatly to raise the value of money, and consequently to occasion much distress. Indeed there is very little doubt that this effect would have been already produced to such an extent as seriously to inconvenience trade, had not the last two or three years been a period of large, or probably, I should say, of unprecedented profits. But it would be dangerous to assume that these will continue. All experience shows that periods of great prosperity are sooner or later followed by a reaction. Should a bad harvest, or a period of great commercial depression and scarcity of money overtake us, while numerous expensive railway undertakings are in different states of progress, it might be impossible for the companies to borrow, and useless for them to make calls; so that the works might be brought to a stand-still, to the great loss of the shareholders and the inconvenience and injury of the public.

An excessive expenditure upon railways would not only raise the value of money, to the great inconvenience of the manufacturing and trading interests, and of landholders whose estates are encumbered; but it would farther tend to produce a serious derangement in the labour market.

Already we have complaints on all hands that from the inducement held out by the high wages paid to those engaged in them, labourers are leaving other employments for railways. And in some cases, as in the vicinity of Glasgow, the price of coals is rapidly advancing, from the difficulty of getting labourers to work in the mines. It is true that a steady, gradual, and permanent increase in the demand for labour is above all things to be desired. But a sudden and violent demand drawing, by the temptation of high wages, great numbers of people from their usual modes of life, to engage in an employment which must necessarily terminate in a few years, and which will most probably come to a stand on the occurrence of a bad harvest or of a commercial revulsion, must, in every point of view, whether moral or economical, be productive of the most baneful effects.

The excessive multiplication of railway projects is doubtless to be attributed in a great degree to the increasing desire of all towns and districts for the advantages of railway communication. The prodigious superiority of railways over all former modes of conveyance, and the advantage which the localities that possess them have over others, have produced a demand for their extension in every direction. But this cause will not account for the unhealthy excitement which has prevailed, and which has resulted in such heavy, and in many cases ruinous losses.

Had railways yielded no more than the ordinary rate of profit on capital, it would have been applied to them moderately, yet in sufficient abundance to have met the public wants. Those lines which were intended to supply the wants of the most populous districts would have been made first, and the others would have followed in their turn. But the profit on railways in favourable situa-

tions, provided they have been planned with moderate judgment, and are efficiently and economically managed, is so much greater than in other investments, that capital, which will always be attracted where the remuneration is the greatest, has rushed from all sides into this channel. And it will continue to flow into it, and the same evils we have lately witnessed will be renewed, in spite of every warning, so long as the temptation of a more than ordinary rate of remuneration remains.

The genius of our institutions prevents us from meeting this evil by restricting private enterprise, or by reserving to Government the initiative in planning railway lines, as in France.

The only remedy which seems likely to check it, or to reduce it within moderate limits, is a change in our system of railway legislation which may remove the temptation to plan lines, except in those directions where the elements of a considerable traffic really exist.

The establishment of a *system of low fares*, that is, of fares very much lower than those now charged on most of our railways, would oblige the subscribers to railway schemes to look into their real merits. Experience, both in this and in other countries, has abundantly proved that a great reduction of fares and charges has so powerful an effect in developing traffic on lines, where the elements of it exist, as to make the reduced fares afford an ample dividend to the shareholders. It is at least doubtful whether an effectual reduction of the present tariffs of the English railways would not be attended with an increase in their nett receipts. It may be considered certain that it would not greatly reduce them. But the announcement of a low tariff as the legal maximum of fares on all new railways, combined with such

other stipulations for the benefit of the public as may be found practicable and expedient, would probably cool the ardour of railway speculation down to the point of temperate and reasonable enterprise. Let the Legislature, in dealing with railways, be impressed with the conviction that the profits to be realized on capital vested in new lines should not exceed those realized in other investments of equal risk; and that it is their duty to secure whatever excess there may be over this by enacting low maximum rates of charge and other stipulations. If they do this, they will effectually moderate those ardent expectations of inordinate profit which are the main source of wild speculations.

The result to which we propose to approximate by legislative provision,—that is, the equalization of the rate of profit on future railways with the profit on similar investments—is one which must be eventually brought about, though probably with great loss and suffering, in the course of time.

It is not possible that capital should permanently continue to yield a higher return in one employment than in others of equal risk. So long as this continues to be the case, money will be drawn towards the more profitable investment; and railways will be multiplied until their competition and the subdivision of the traffic of the country among them has reduced their profits to or below the ordinary rate. But in bringing about this result, there will be an enormous waste of capital upon unnecessary railways, each trying to vanquish its competitors by reducing fares, or to realize high profits by keeping up high fares under arrangements with them: thus alternately depressing the dividend of the shareholders, and inflicting serious injury on the public.

It cannot be said that the greater uncertainty of rail-

way investments requires that the rate of profit on them should be higher, or that the margin left for hopes of future increase should be broader in them than in other employments. On the contrary, whatever may have been the risks of the first experiments in railways, there is now perhaps no form of investment depending for its results on the accuracy of estimates, and, therefore, not absolutely certain, in which there is so little room for miscalculation as in English railways. The construction of a line, as planned by the engineer, may be contracted for at once, whatever its length, thus rendering the cost certain; and the tables of traffic may, taking proper precautions, be compiled with so much accuracy as to reduce within very narrow limits the chances of mistake in the revenue.

It is obviously, indeed, for the interest of the great existing lines voluntarily to establish low tariffs in their own case, as well as to support their enforcement on future lines; for, while it is at least doubtful whether the reduction of fares and charges may not benefit them by a positive increase of dividends, it will, at all events, greatly diminish the chances of the establishment of competing lines. The announcement of a low tariff of charges as the basis of future railways will check the disposition to construct lines where a sufficient traffic is not likely to be realized; at the same time that the reduction of fares on the existing lines will lessen the public demand for new and cheaper lines.

It has been contended that the immense outlay by most of the leading English railway companies, occasioned by the great excess in the cost per mile of their lines over the cost of lines in other countries, justifies and renders necessary the maintenance of a proportionally higher rate of fares on the English railways. But the rate of divi-

dend on the stock of several of these companies is 10 per cent. And it does not follow, whatever may have been their cost, that they should be allowed to monopolize the traffic between the towns and districts which they connect, to insure so great a dividend to their proprietors. No such monstrous proposition as this can be entertained. If a new line could in any case be constructed for half the expense of an existing line, or supposing the expense to be the same, if it were constructed by parties who would be satisfied with a dividend of 5 instead of 10 per cent., Parliament is bound to sanction the new line, unless the company make a corresponding reduction in the fares on the present line. One or other of these results must take place: for if the principle be true that capital will force its way into those employments which yield more than the ordinary rate of profit, it will be impossible to maintain the monopoly and high charges of the old companies.

Applications for new lines intended to divide the traffic with the old companies at lower rates will continually be repeated; and though they should at first be rejected by the influence of the latter, they must eventually be conceded. In this, as in other things, the legitimate demands of the public for local accommodation, and for a general reduction of charges, cannot long be defeated.

If railways may now be constructed for 20,000*l.* per mile, where 50,000*l.* was formerly expended, do those who have laid out the latter sum imagine that Parliament or the public will grant them such a protection from competition as may enable them by high rates of charge to obtain a profit of 10 per cent. on that part of their capital which has been wasted, as well as on the part which would now suffice to construct their lines? If

the shareholders of the London and Birmingham, the Great Western, and other railway lines, believe that they are to be permitted to flourish at the expense of the public by means of that *protection*, which is hunted down on all sides, I apprehend they will experience a disappointment. The monopoly of the landowner is not to be suppressed to make way for the monopoly of railway speculators. The latter must accommodate themselves to the new order of things. The proprietors of an old line of railway are in the position of a manufacturer who, having constructed machinery on an old and expensive plan, finds it superseded by more economical or powerful machinery: but were such a man to attempt to obtain a higher price for his work than would remunerate those who work with the improved machinery, and asked Parliament to assist him in doing this, should we not consider him as fitter for Bedlam than for the Exchange?

The Board of Trade, in their Report on the South-Western District, in 1845, state, that the lines proposed to be made in that part of the country might be constructed for about 12,000*l.* per mile; and the estimated cost of the mass of new railways, projected during the last two years, ranges, with few exceptions, between 25,000*l.* and 10,000*l.* per mile. Now, Mr. Laing says, in the Appendix to the evidence before the Committee of the House of Commons in 1843, that if our railways had been constructed for 20,000*l.* a mile, they might have been limited to rates of charge varying from a half to two-thirds of their present tariffs; and the example of many foreign railways, the traffic on which is much smaller than on our great lines, proves the reasonableness of this assertion.

To suppose that Parliament will continue to reject all applications for railways which may interfere with the

monopoly and high rates of the old lines, is to suppose that it will continue to sacrifice the interests of the many to those of the few ; those of the public to those of monopolists ; cheapness to dearness ; low fares and national advantage to the high dividends of a few great companies ! The old lines of railway have destroyed or greatly impaired the value of canals, and brought bankruptcy or difficulties on most of the turnpike-road trusts. They have been permitted to do this because they promised to supply the public with a cheaper and more advantageous mode of conveyance. But, in their turn, they have been outstripped by their competitors, and, consequently, must submit to the competition of new lines, offering to the public greater advantages of economy, security, and speed.

Hence if the interests of the old lines were really inconsistent with the adoption of a system of low fares, it would inevitably follow that those interests should suffer rather than that the whole community should continue to be taxed for their benefit. I do not, however, believe that such is the case. The traffic of our great lines is so enormous, its increase is so rapidly progressive, and the reductions in fares and charges, which have been tried on some of them, have stimulated this increase in so remarkable a manner, that I have little doubt these lines will continue to pay high dividends after they have adopted tariffs very much lower than those generally prevailing.

I have spoken of the tendency of the present prevalence of high fares, unchecked by legislation, to injure shareholders and disturb the money and labour markets by the multiplication of railway schemes. But there is another evil resulting from our present course of railway legislation, compared to which its injurious effects in en-

encouraging excessive speculation and the unnecessary multiplication of lines, great as these undoubtedly are, sink into secondary importance.

We entail upon the country, by our present conduct, the grievance of railway fares far higher than those of other European countries, and far higher than is necessary for the remuneration of the capital engaged in railways: and by so doing can any one doubt that we are laying agriculture and manufactures, to the prosperity of which cheap communications are essential, under serious disadvantages? As much stress should be laid on the cost of distributing commodities as on the cost of their production; and if we adventitiously increase the latter, do we not in so far distress our own producers and encourage the foreigners?

Mr. Laing says, "It is impossible to avoid the conclusion that England, which has hitherto enjoyed a great superiority over all other European nations in her internal communications, will shortly be placed at a great disadvantage in comparison with them, owing to the high fares of her railways. This disadvantage is equal to a tax of from 80 to 100 per cent. on the upper and middle classes." And the lower classes are yet either debarred, to a great extent, from the advantage of railway travelling, or obliged to make use of it under the disadvantage of slow speed and inconvenient hours.

We have had many examples on our own railways of the remarkable increase in their use by the public after any considerable reduction of fares; and we may form an idea, from these partial applications of the principle, of the wonderful impulse to travelling that would be impressed upon all classes of the population were this country covered by railways, carrying all classes of passengers with comfort and celerity, at fares as low or lower than those of the Belgian, French, and German railways. It

is impossible to estimate the vast amount of the facilities to commerce and industry, and of individual convenience and enjoyment, which such an increased movement would represent. A comparison of our English railway legislation with that of other countries is, perhaps, the best mode of exemplifying its defects. I shall select France as an instance of a country between whose railway legislation and that of Great Britain a comparison may be instituted with the most perfect fairness to the latter. The case of the Belgian railways is not so applicable, as these are government works. A comparison with the German railways might be objected to on the ground of their low average cost of construction, and to their being to a great extent only single lines. It would detain us too long were we to examine how far the reduced cost of the German lines is to be attributed to any facilities presented by the country, and how far to causes connected with the difference between the railway legislation of Germany and that of our own country.

When we compare Great Britain and France, we find that the former enjoys incomparably greater facilities than the latter for constructing railways by private capital, on the terms most advantageous for the community; and that, notwithstanding, from the different railway legislation of the two countries, railways are constructed in France on more advantageous terms than in Great Britain. In short, that Great Britain, which might have imposed on the undertakers of railways any conditions within the bounds of reason, has, in fact, hardly imposed any that are practically operative, while France, though greatly fettered in her proceedings by the necessity of attracting to railway undertakings the wealth of French and English capitalists, who were slow in coming into them, has secured for the

State in her concessions of lines numerous and most important reservations and advantages.

None can doubt that the prospect of traffic is much greater in England than in France. The population of the former is denser; a much larger proportion of it is compelled to travel for commercial purposes, and accustomed to travel, from the comparative excellence of the old modes of conveyance; the habit of travelling for pleasure is far more extended, and the number of persons in affluent or easy circumstances, who can afford to pay first class fares, and to travel as often and as far as convenience or pleasure may induce, is vastly greater. The goods' traffic of Great Britain must also be infinitely more productive than that of France; the immense manufactures and commerce of the former requiring the transportation of vast quantities of foreign products, raw materials, and manufactured goods to and from her ports and manufacturing towns; the prodigious population accumulated in her great towns, and drawing all their supplies from a distance; the almost universal use of coal, and a host of other circumstances, too numerous to detail, give to the British railways an incomparably greater mass of goods for transport than can be expected on the railways of a country like France: the towns of the latter being comparatively small, her foreign commerce little extended, her mineral resources far poorer, or at least, far less developed; the products of whose only flourishing manufactures are of small bulk, and the mass of whose population consists of peasant proprietors, consuming the produce of their own plots of land, with very little power of purchasing articles brought from other places. But while the prospect of traffic is much greater in Great Britain than in France, the cost of constructing railways in this country is also, I believe, decidedly less. I do not here take into ac-

count the heavy preliminary and parliamentary expenses, or the large payments to landowners to buy off opposition, as the difference between these and the corresponding items of expense in France grows out of that very difference in the legislation of the two countries, which is under consideration; but allowing for these, it will be found, comparing their cost in the two countries, that railways, like most other things, are cheaper in England.

The cost of executing a given quantity of earthwork and masonry is not materially different in the two countries; the lower rate of wages in France, if it be lower, being more than compensated by the superior efficiency of English workmen. This is proved by the fact of the employment of great numbers of the latter on Railways in France. The other items of expense are greater in France; iron, wood, locomotive engines, and fuel being much dearer there than in England. And there is no such difference in the surface of the two countries, as would account for any serious difference in the cost of their respective railways, supposing them to be planned with equal judgment, and executed with equal skill and economy.

The disposition to vest capital in railways has been much greater in England than in France. In the latter the number of persons possessing considerable capitals is very limited, and these, also, are almost universally remarkable for their prudence and aversion from all large or novel undertakings. The rest of the nation, though prudent and saving, have individually very small means, and until lately were very slow in applying their savings to this new kind of investment. The principle of association in joint-stock companies is also far less understood, and much more distrusted, in France than in England. A comparison of the enormous sums which have been vested by the English in every kind of stocks, and every

class of companies, British and Foreign, with the extremely limited and partial employment of French funds in the same manner, gives a measure both of the respective ability of the two nations, and of their disposition for new kinds of investment. The rate of interest, as shown by the price of Government funds, is also considerably lower in England, British Consols having touched par when French Three per Cents. were about 85.

It is true that within the last 12 months a railway speculation has arisen in France almost as wild as that which was contemporary with it in England. But if we go back a little farther, we shall find that while in England capital was being steadily applied to the construction of great lines, and the favour of the public for railway investments was only checked during very great disturbances of the money market, in France, such was the general apathy or distrust, that it was only by offering in one case a guarantee of a dividend of four per cent., in another a large loan at a low rate of interest, and in a third a large free grant in addition to a loan, that the Government could induce persons to come forward to undertake lines which were selected as enjoying the greatest amount of traffic, and which now bear the highest price. Even then it was only by the aid of English capital that the subscription list of two out of three of these lines could be filled up.

With these decided advantages on the side of England, both as respects the revenue to be derived from railway investments and the disposition of capitalists to engage in them, it might have been expected that in the bargains made between the state and the companies there would have been a corresponding superiority on our side in the stipulations for the benefit of the public. The very least we could anticipate would be, that Parliament should have imposed on the English companies applying for

grants of lines, tariffs of charges and conditions as favourable for the public as those which the French legislature has imposed on companies applying for less promising lines especially when it was found that these conditions had no influence in deterring companies from entering into the keenest competition for such lines.

But the fact, I regret to say, is widely different. In France a rule has been laid down for many years, to which no exception is allowed, that *every railway shall, after a greater or less number of years, become the absolute property of the state*. The term varies from 99 years, as a maximum, to less than 25 years. The reversion of the Rouen and Orleans lines, after 99 years, may appear a very remote benefit; but that of the Creil and St. Quentin, after little more than 24 years, is a provision of which even the generation now living will feel the advantage. If the present views of the French legislature be carried out, it will be found that in little more than 40 years all the principal lines of France, forming a complete system of communication between all parts of that country, will, with very few exceptions, revert to the state. They will then, if worked for revenue, constitute a property compared to which the largest treasure amassed in former times by any sovereign or state shrinks into insignificance.

It may be fairly presumed, or rather it is all but certain, that at the expiration of the present concessions, the value of the railways now conceded, and of those which will certainly be conceded in France within a few years, immensely increased, as it will then doubtless be, by the progressive increase of population and traffic, will be far more than sufficient to pay off the whole of the existing national debt of France, should her legislature think fit to sell them, or lease them afresh for that purpose. Indeed, considering the rapid in-

crease of traffic, and the growing demand for railways in all parts of France, it is not easy for the most sanguine to form any estimate of the vast amount of capital that will probably, in no very lengthened period, be vested in that country in railways, and which will of course wholly revert to the state. France will then possess a *bonâ fide* sinking fund of some hundreds of millions sterling. Should her Government adopt the plan of reducing the fares and charges on railways to the sums necessary to work them, and defray wear and tear (which, in consequence of improvements, will doubtless then be much less than at present), they will afford to the community the incalculable advantages of free and rapid communication through every part of that country at an all but nominal cost. It will be the principle of the penny postage on letters applied to all the persons and products of a great nation.

The Government of France has also imposed on the companies various conditions for the benefit of the public. We shall quote the principal of these from the law conceding the Northern Line, as this has been the model for subsequent concessions, and will no doubt be adhered to for the future, unless experience should suggest other conditions still more advantageous for the public.

1. A maximum of charges for passengers and goods is fixed as follows :—

	Toll.	Cost of Transportation.	Total.
PER HEAD PER KILOMETRE.			
Passengers—	Cents.	Cents.	Cents.
First Class Carriages, covered, lined, and furnished with glass windows	7	3	10
Second Class Carriages, covered, with glass windows and stuffed seats	5	2.5	7.5
Third Class Carriages, covered, and closed with curtains	3	2.5	5.5
Animals—			
Cattle, cows, horses, mules, beasts of burthen	7	3	10
Calves and pigs	2.5	1.5	4
Sheep, lambs, goats	1	1	2

1. A Maximum of Charges—*continued*.

	Toll.	Cost of Transportation.	Total.
	Cents.	Cents.	Cents.
PER TON PER KILOMETRE.			
Goods—			
Fresh fish, to be carried at the speed of passenger trains	30	20	50
First Class. Iron and lead wrought or cast in a mould; copper, and other metals, wrought or unwrought; vinegar, wine, liquors, spirits, cotton, and other wool, furniture, dye, and other foreign woods, sugar, coffee, drugs, spices, colonial produce and manufactures	10	8	18
Second Class. Wheat, grain, flour, salt, plaster, ore, coke, charcoal, all kinds of timber, blocks of marble, hewn stone, bitumen, rough iron castings, bar and sheet iron, lead, &c.	9	7	16
Third Class. Chalk and lime-stone, mill-stones, flints, sand, clay, bricks, tiles, slates, manures, paving-stones, and all materials for road-making	8	6	14
Coal	6	4	10
Empty railway car or waggon, and locomotive not at work	15	10	25
PER KILOMETRE.			
Carriage with two or four wheels, with a single bottom and one inside seat	15	10	25
Carriage with four wheels, or double bottom, and two inside seats	18	14	32

These rates do not include the tax of 10 per cent. on the cost of transportation of passengers only, which is paid to the state by the company, and which they may add to the tariff.

Passengers of all classes are allowed to carry 30 kilogrammes (66 lbs. avoirdupois) weight of baggage, without extra charge.

10½ centimes are about equal to 1*d*.

A kilometre is nearly equal to five-eighths of a mile.

The French weight of 1000 kilogrammes does not differ much from an English ton.

The passenger fares are equivalent to about 1*d*. per mile, for the first class, a little over 1½*d*. for the second, and about ¾*d*. for the third.

2. The company is strictly forbidden to make reductions in their charge for goods, in favour of any carrier, or any other party, without giving the same advantage to all other persons.

4. Soldiers and sailors travelling singly on service, on furlough, or on their return to their homes, pay only half the tariff rates. Soldiers and sailors travelling in corps pay only one-quarter the tariff rates. If the Government wish to forward troops or military stores, it may put the whole working stock of the company in requisition at tariff prices.

5. The mails, and the servants of the post-office in charge of them, are to be carried gratuitously by all the company's trains in a carriage, of which the form and dimensions are to be determined by Government. Special trains carrying the mails to be run on the requisition of the post-office at any hours of the day or night, on the payment of a remuneration, the maximum amount of which is fixed at 75 cents. per kilometre (about 7*d.* per mile) for each train, and 25 cents. more for each carriage over the first.

6. Prisoners and persons having them in charge are to be carried by all the regular trains at half the tariff rates in prison vans, provided by Government.

7. Government may establish an electric telegraph along the line, to be protected by the company's policemen; the functionaries employed in its management or repair are to be transported gratuitously by the company.

8. Fifteen years after the completion of the line, Government may take possession of it, on paying to the company during the remaining years of the lease, an annuity equal to the average nett revenue of the five most productive years of the seven last years of the fifteen.

9. Government may construct common roads, canals,

or railways, crossing the company's line, taking care that the company is not injured thereby.

10. Government may concede any number of new lines and of branches from, or extensions of, the company's line. The companies to whom the new lines may be conceded, may run their trains along the whole length of the original line, paying on their trains and their contents that portion of the charges of the latter which is called the *toll*, as distinguished from the charge for transport. The company of the main line is bound, if it reduce its charges on its own traffic below the tariff rates, to reduce the toll and cost of transportation in the same proportion, that the branches may have the benefit of the reduction. And it may be obliged by the Legislature to reduce the tolls charged by it to the branches below the tolls on its own traffic in the following proportion :—

	Per cent.
1st. If the branch or extension be not more than 100 kilometres in length	10
2nd. If between 100 and 200 kilometres	15
3rd. If between 200 and 300 kilometres	20
4th. If above 300 kilometres	25

11. Permanent Government Commissioners may be appointed and paid from the company's funds, to watch over the working and maintenance of the line. Before any part of the line is opened, it must be inspected and reported safe by the Government Engineers.

12. Railways are also taxed to the extent of 1-10th of that part of their gross receipts, which is distinguished as their charge for conveyance, and also pay the *contribution foncière*, &c.

How widely different is this system of railway legislation from our own ! In the latter, the grants of lines are all perpetual. The right of revising the rates of charge

on the lines constructed previously to 1845, only accrues to the State after 20 years, and then only on condition of guaranteeing a minimum dividend of 10 per cent. ! The provisions for the transport of soldiers, sailors, and of the post, are much less advantageous than in France ; and there is no proviso for placing the whole means of transport at the disposal of Government on any emergency, either of foreign war or civil disturbances. There is no provision for the transport of prisoners ; there is no security against unequal charges. Government has a much less general power of interfering authoritatively with the construction or working of the line for the safety of the public ; nor can any company be compelled to admit branch or continuation lines on its line.

Lastly and chiefly, the rates of charge of the English railways are *practically unlimited*, that is, the companies are in every instance left at liberty to charge as high a rate on every part of their traffic as they have ever thought, or are ever likely to think, for their own advantage ; and the consequence is, that on all the English railways, excepting a very small number of lines placed under peculiar circumstances, the charges are much higher than the French maximum rates.

A short sketch of the progress of French railway legislation will show the difficulties with which the French Government had to contend in getting railways constructed by private capital, and the perseverance and address with which, despite these difficulties, they have provided for the benefit of the public in their establishment.

The first line conceded in France was from St. Etienne to Andrinieux, in 1823. This, however, was intended for the transportation of minerals only ; and some other lines for the transport of minerals were conceded in 1823 and

the following years. But it was not till 1835 that the establishment of railways on an improved system, and intended chiefly for the transport of passengers by steam power, was commenced by the concession of the line from Paris to St. Germain. In this, the first concession of the kind, the Legislature laid down the principle from which it has never deviated, of securing the reversion of the entire railway to the State at the expiration of a certain term of years, which in this case was fixed at 99. The next considerable concessions were those of the two lines from Paris to Versailles, also for 99 years. A few other lines of minor importance in the provinces were conceded with the same length of lease in the two following years. But it was not till 1838 that a beginning was made in the establishment of lines of the first magnitude, that is, of lines between the metropolis and distant parts of the country, by the enacting of laws for the concession of lines from Paris to Rouen and from Paris to Orleans; the terms of these grants not being finally settled till 1840. In these cases the grants are for 99 years; and it was farther necessary to tempt English and French capitalists to engage in them, by the offer of a guarantee of 4 per cent. dividend by the State for the Orleans line, and of a large Government loan at 3 per cent. for the Rouen line. The line from Strasburg to Basle was also finally conceded in 1840. In 1841 there were no concessions—capitalists showing no disposition to come forward.

In 1842, the construction of the line from Rouen to Havre was decided upon; but the public were so little inclined to vest their money in railways, that it was only by the offer of a large free gift, in addition to a large loan at 3 per cent., the interest not to commence till three years after the opening of the line, that a company,

composed partly of French and partly of English subscribers, was induced to undertake the work. A comparison of the foregoing sketch of railway enterprise in France down to 1842, with the great number of Acts applied for and railways constructed in England down to the same date, proves the immense superiority of the latter over the former in the abundance of capital disposable for railways and in the enterprise of its owners, and greatly enhances the merit of the French Legislature, which, with resources so inferior, and at the risk of checking altogether the construction of new lines, has had the firmness to insist on terms so much more favourable to the public than those obtained in England. The session of the Chambers, in 1842, was distinguished by the introduction of the principle of partial construction at the expense of the State, of such lines as were supposed incapable of yielding a remunerative return on their whole cost. But it is unnecessary to examine this last part of the French system, since the more favoured position of England makes it needless for us to resort to it.

It was not till the session 1844-5, that such of the great lines as it was presumed would yield an adequate return on the whole cost of their construction, viz., the Northern Line, the Paris and Lyons, and the Lyons and Avignon lines, were finally offered to competition; and these were offered, subject to all the stipulations in favour of the public previously enumerated, although the whole expense of their construction was to be defrayed, as in England, by the companies. The Northern was taken at a term of 38 years, and the Paris and Lyons at 41 years. The adjudication of the Lyons and Avignon line has not yet taken place.

It cannot be said that the conditions imposed by the

French system are too onerous—that they have either discouraged the investment of capital in railways, or reduced their probable profits, in the judgment of those most competent to form an opinion on the subject, below a fair and satisfactory return. The proof of this is to be found in the market prices of the shares of the principal French railways. At the moment I write, the Orleans shares are at 1,280 for a share of 500 francs; the Rouen at 1,010 for a share also of 500; the Northern at 260 premium on a share nominally of 500 francs, but really of 450; and the Paris and Lyons is at 620 for a share of 500 francs. These are the prices at the present time, which is certainly one of depression rather than of excitement. The Orleans have been above 1,400, the Rouen above 1,200, and the Northern above 350 prem. I have purposely quoted such lines only as have been constructed entirely at the expense of companies; and two of these, the Northern and the Paris and Lyons, having been conceded since the French system of conditions for the benefit of the public has been perfected, the shareholders in them will consequently sustain, in its fullest extent, any diminution of profits which that system may involve. But the fact is, that these conditions, taken together, are not considered in France, nor by the English capitalists who vest their money so largely in French railways, as material objections to investment. The terminable lease is the subject of a calculation by which to ascertain the deduction to be made from the nett revenue of the line to form a sinking fund for the replacement of the capital at the expiration of the term. This sinking fund, in the case of all the lines adjudicated within the last three years, ranges from a little below 1 to about 2 per cent.; so that, whenever a line is expected to pay from 1 to 2

per cent. more than the ordinary return on an investment—say 5 per cent.—the line is worth making on a terminable lease of from 25 to 41 years. In regard to the other conditions, the tariff of rates included, very little stress is laid upon these in estimating the prospects of a line. No doubt there are a few lines in France the shares of which are below par—some very greatly so; but in no case can the depression in their price be traced in any degree to the stringency of the conditions imposed by Government. On the contrary, they are, in almost every case, lines conceded before the later improvements in French railway legislation, and on terms much less favourable to the public than were stipulated for in the cases of the Northern and other recently-conceded lines, all of which are at a premium. The low price of their shares is of course to be attributed to the injudicious location of the lines, to the inadequacy of their traffic, or the exorbitancy of their cost. Neither is there a single line in France which the Government is willing to concede, and which is refused by companies, on account of the stringency of the conditions now imposed. On the contrary, the eagerness of large capitalists and of the public to obtain concessions, has been increasing, at the same time that the conditions attached to them have been made more advantageous for the public.

Now, I would beg to ask, what reason is there for supposing that the consequences would have been different had the French system, with all its advantages for the public, been adopted in England? If I am right in supposing that railways in England are much more promising investments than railways in France, and that there is a much greater amount of capital available for their formation in the former than in the latter, there can be no doubt that capitalists would willingly have undertaken the

construction of our lines on conditions at least as advantageous to the public as have been obtained in France. A considerable part of the capital vested in French railways has been subscribed by English capitalists, including many who are deeply engaged in English railways, who have not been prevented by the conditions previously referred to from engaging in them with the greatest eagerness; and such being the fact, is there so much as the shadow of a ground for supposing that they would have been less willing to embark their money on the same terms in their own country?

One great advantage of the French system remains to be noticed: the initiative in deciding on the railways which shall be made, and on the number of these which shall be conceded in any one year, as well as in fixing the line which each shall follow throughout its length, is reserved to the Government. Had this provision been adopted in England, we should have escaped a great part of the very serious evils with which we are threatened by the enormous multiplication of railway bills. Parliament would not have been overwhelmed by the presentation of a mass of bills, to which it is physically impossible its Members can pay any satisfactory attention; and the Prime Minister would not have been obliged to declare to the House of Commons that the passing even of such a proportion of these Bills as Parliament might be expected to sanction, would produce the most ruinous disappointment to the shareholders and the most serious national inconvenience; inasmuch as they would require an annual outlay of capital on their construction very far beyond what the resources of the country could supply. The disposition to railway speculation has reached a great height in France, and threatened to produce the same inconvenience there that is now felt in England by

diverting capital from other employments to be locked up in railway deposits and calls for the construction of unfinished lines; but the reservation of the initiative of all railway projects to the Government, has placed the remedy within its reach, by enabling the Legislature to limit the annual concessions to the schemes most required, and to such only as there may be funds to construct, without unduly raising the rate of interest and injuring the public. The French Ministry and Chambers have shown their determination to act on this principle by proposing to authorize, in the present session, concessions to a small number only of the most necessary lines.

In England, where the selection of lines for railways is abandoned entirely to the judgment of individual projectors, such as promised the largest profit have been the first to be selected, the lines having stopped at the points where the return promised to be less favourable; no regard whatever having been paid nor a thought bestowed on the suitableness of those lines as parts of a future general system of communication to be eventually established throughout the island. According as the advantages of railway investments have become better known, other railways have been gradually constructed in connexion with the early lines, and when the rise of new and rival companies made it expedient for those of older date to endeavour to secure the advantages they already enjoyed, they set about planning branches in different directions, not that they might form parts of a complete contemporaneous system, but that they might cut the ground from under the feet of their rivals, and pacify the clamour of local interests for railway accommodation. In consequence, the great characteristic of a good national railway system, that is, directness of communication between distant points and the Metropolis, with the facili-

ties of travelling to and from all parts of the country, the poorer and less populous as well as the more favoured, have been to a great extent irremediably sacrificed. In France, on the contrary, every line of railway is planned by the Government as part of a general system of main and branch lines intended to give as perfect a communication between all parts of the kingdom as its wealth and populousness will permit.

Nor is the principle, that every particular line shall be taken as part of a national system, likely to produce neglect of the accommodation of particular towns and districts. In France, the representations made by all local interests are deliberately examined, first by the executive Government, and afterwards by a committee of each Chamber.

It should also be kept in view, that the reservation of the initiative to the Government is no less advantageous to the shareholders than to the State. Its first effect is to save French companies from the very heavy preliminary and parliamentary expenses of English companies; expenses which are the more to be regretted, because they are a positive loss to the shareholders, and a stain on Parliament, without being of any advantage to the public. It is also a great security against the construction of unprofitable lines. No line is decided on by the French Legislature without a previous report by the Government, bottomed on detailed surveys by Government engineers; and traffic tables, carefully compiled from official and other sources, are submitted to the criticism of the public. Estimates framed in this manner are much less liable to exaggeration than the hasty inquiries of sanguine and private projectors. French companies are also in much less danger of finding their lines superseded or injured by the construction of rival lines.

Each forms part of a general whole which has been adopted after a deliberate examination of all the plans proposed for supplying each section of the country, in which the opinions of the Government engineers, of the civil and military functionaries, and the claims of all the local interests, have been received and canvassed, first by the executive Government, and afterwards by committees of both Chambers. There is thus comparatively little probability that any other line will be conceded for the accommodation of the same tract of country. And the improbability of any such hostile concession is greatly increased by the reversionary interest of the State in all the grants, and this of course is augmented by the shortness of the lease.

Any one who reflects on the unequalled advantages which England offers for railways, with the surprising effect of reduced fares in increasing traffic, and repairing the loss of revenue which at first sight they appear likely to produce, will probably conclude that a tariff of rates which should be in every item very much below the French tariff, would yield an ample return on all the principal English lines. But with the same tariff, the same length of leases, and the same conditions, in every other respect, that exist in France, can any one doubt that our English railways would present a wider and a far more profitable field for investment than the French? Within the last year or two, the attention of Parliament has been called to the necessity of regulating the rates of charge on railways, and of making other stipulations for the benefit of the public, but no measures hitherto taken are adequate to secure these objects.

A measure passed during the session of 1843, gave Parliament the right to revise the tolls; but this right was not to come into operation till after the lapse of 20

years, and then it could only be exercised on permanently guaranteeing to the shareholders the enormous dividend of 10 per cent. This stipulation exempted all lines, with the exception of those that might turn out to be peculiarly profitable, from the chances of revision; and, with respect to the latter, it recognized the monopoly or protective principle, that a very high profit should be secured in all time to come to a few great capitalists, sacrificing, for this object, the public interests, and going far to prevent the public from being benefited as they ought to be by the increasing traffic of the country, and the reduction of tolls by which it should be accompanied.

But in 1845 Parliament took a juster view of the subject, and reserved to itself the power, whenever it saw fit, to revise and regulate the tariffs of fares and charges on the lines for which Acts were to be passed in the course of that and of all following years. Excepting, therefore, the lines for which Acts were obtained previously to 1845, Parliament has it fully in its power, as well in regard to the Companies which procured Acts last year, as in regard to those now before it, to enact moderate tariffs of charges.

And it is well that such is the case; for the tariffs of fares and charges inserted in the Railway Acts of last session are so far above the Continental tariffs, so far above the rates which many even of the British Railways have found it for their advantage to adopt, and so near the highest rates that have ever been charged, that unless the public interests are to be wholly lost sight of, it is imperatively necessary they should be subjected to an unsparing revision. We have also reserved the right of purchasing up railways at 25 years' purchase on the nett revenue, or on the revenue over and above the expense of working them and keeping them up.

But this is an enormous sum to have to pay for such property. In the case, too, of the most productive railways (and these are the only ones the regulation of which is of great national importance), the large amount of their revenue would make their cost, at 25 years' purchase, so very great that Government might have much difficulty in prevailing on capitalists to furnish funds to buy up the railways even on their getting a mortgage over the latter. And supposing this to be done, heavy fares would still require to be charged on railway travelling to defray the interest of the purchase money. The next generation, especially when they see the French entering into the free and full possession of their railways, will, perhaps, not form a very exalted estimate of our foresight, and will probably be inclined to wish that some small portion of that hostility, so vigorously directed against the protection so long given to agriculture, had been directed against that which is now so lavishly and inconsiderately given to railway projectors.

The subject of railway amalgamation, which is now going on to an immense extent, is one which demands the immediate attention of Parliament. Mr. Gladstone's Bill of 1843 provided that, in the case of future railways, after the payment of a dividend of 10 per cent., the surplus revenue of the company should be applied to the reduction of charges to the public. Now, whatever may be thought of this provision, seeing the infinite number of ways in which it may be evaded, it at all events imposes on Parliament the duty of watching amalgamation Bills, lest they make an end of the advantages, such as they are, which Mr. Gladstone's Act was intended to secure to the public. For it is plain that a railway which yields a large revenue, and which may therefore come within the 10 per cent. clause, may, by amalgamating

with a less profitable line, reduce the dividend on the larger capital formed by the union of the two below the rate at which the provision comes into effect, and may consequently defeat it altogether.

There is no doubt that amalgamation is of some advantage by enabling longer journeys to be performed in the same carriage, but much more stress is laid on this circumstance than it deserves. The transfer from one carriage to another of passengers and luggage takes place at stations where a stop is made for refreshments, and with moderate care the inconvenience may be reduced to the merest trifle. In respect to goods, nothing would be easier, provided the companies were desirous of mutually accommodating each other and the public, than an arrangement for allowing the loaded trucks to run through.

But there are plans of amalgamation on foot, in which it is confidently believed that the accommodation of the public, by avoiding stoppages and trouble at the junction of different lines, is a mere pretence put forward to cover the real object, which is to strengthen the sinews and to extend the sphere of monopoly, by uniting in a compact body different companies which, while separate, may interfere with each other's profits, either by direct competition or by encouraging the competition of third lines. It is needless to say that, in all cases in which such motives may be imagined or suspected, Parliament is bound firmly to oppose amalgamation.

The truth is, that unless we are prepared boldly to proclaim and to act upon monopoly principles, no amalgamation should be permitted unless the parties consent to enter into a new contract with the public. If, as I contend, fares and charges, one-half less than those hitherto imposed, should, in most cases, be imposed on new

lines, they should also be imposed on all lines which ask from Parliament Acts to carry into effect measures by which they avowedly seek and expect to increase their profits, and to render them more secure than at present. It is the more necessary to call public attention to this point, as those amalgamation Acts, and the clauses for leasing new lines to old companies, though of primary importance, excite comparatively little interest. Certainly, however, they require to be watched with the greatest jealousy, as they take away almost all the little security left to the public against oppressively high charges. Is it not known to every man in England, that the main object of the existing companies in promoting, leasing, and buying new branch lines, is to prevent the construction of rival lines which might expose them to competition, and oblige them to reduce their charges?

What measure could be more injurious to a large and most important manufacturing population, than the Act amalgamating the Grand Junction, Manchester and Liverpool, and one or two other lines? The railway accommodation of an extensive, rich, and populous district was thus placed entirely in the hands of one company, without any effectual stipulation in favour of the public. The Board of Trade reported strongly against this junction; and I must do them the justice to state that they endeavoured to prevent the introduction of clauses for effecting similar objects in other Acts. But it is likely enough that in the hurry with which so many Acts were passed at the end of the session, when members had no time to consider each case properly, and all were heartily sick of the subject, not a few may contain the same objectionable clauses.

But notwithstanding the errors in our previous legislation, we have yet ample means, provided we choose to avail ourselves of them, to secure to the public a large

proportion of the advantages of an improved system of railways. Many trunk lines have yet to be constructed which promise to be highly remunerative, and which will accommodate very large masses of people who are now either without such accommodation, or imperfectly supplied by circuitous routes. Nothing can prevent these lines from being constructed; but the policy adopted by the Legislature in respect to them will decide whether they are to be chiefly beneficial to the public or to their projectors. I of course allude particularly to the London and York, the London and Manchester, the North Kent, the Salisbury and Exeter, and the London and Portsmouth lines.

There are at present schemes before Parliament for doubling all the great lines which radiate from the Metropolis; and there can be no reasonable doubt, from the growing demand for railway shares and railway accommodation, that every one of these lines will be constructed within no very remote period, even though they should not be sanctioned in this or the immediately following sessions. It may, indeed, be fairly doubted, should Parliament, inconsistently enough, one should think, attempt to maintain them in their monopoly, whether some of the existing lines will be able to accommodate the enormously increasing traffic, especially in goods, that will speedily accumulate upon them.

The establishment of a system of low fares and charges on these lines, would be a twofold benefit to the public. It would directly afford to the districts and towns which they traverse the advantage of cheap communication, and would at the same time create such an efficient competition with the existing lines as would bring about something like a reasonable reduction in the rates of the latter. Besides the lines projected from the Metropolis, there are now at the disposal of Par-

liament a vast number of other lines, every one of which will practically enjoy a monopoly of the communications of a more or less extensive district.

It depends wholly on Parliament whether Ireland, which at present is almost wholly destitute of railways, shall have them established on a good or a bad system; whether she shall be parcelled out and delivered over, bound hand and foot, to the tender mercies of a parcel of companies, endowed not with a three years' (so hateful in the case of corn) or a thirty years', but with a perpetual monopoly; or whether the real and lasting interests of the people shall be protected and secured by the adoption of a properly contrived system of railway legislation.

Should the mass of English, Scotch, and Irish railway Bills now before Parliament be passed without enacting low tariffs of rates and other provisions for the protection and advantage of the public, the new monopoly system will be completed. The railways that may remain to be made, at the distance of a few years, will neither be sufficiently numerous, nor in situations fitted to enable future Parliaments to create any efficient check over the proceedings of the then existing lines by authorizing their construction.

Under such circumstances, the country must continue wholly to depend for the immense and constantly increasing amount of its internal communications on the liberality and public spirit of a few monopolizing companies, all anxious (and who shall blame them?) to realize the maximum amount of profit that can be squeezed out of the public. And it can only, as the law (Mr. Gladstone's Act) now stands, emancipate itself from this Egyptian thralldom by paying the monopolists 250*l.* for every 100*l.* expended by them, or by constructing, at a vast expense, new lines of railway alongside of the lines conceded for ever to the companies.

If the view which I have taken of the defects of our railway legislation be correct, the nature of the remedies which should be applied to obviate them seems sufficiently evident. An inquiry should be instituted by Parliament to ascertain the rates of fares and charges which will yield a fair remuneration for the capital to be vested in such railways as offer a sufficient prospect of traffic to justify their immediate construction. The extent to which railways have already been constructed in this and other countries, and the time during which a part of them have been at work, furnish abundant materials for such inquiry. The degree in which the cost of constructing railways has been reduced since the completion of the first lines, the extent to which the increase of traffic on them has surpassed expectation, the law of progressive annual increase which generally prevails on railways, and, above all, the immense effect of low charges in stimulating traffic, are points deserving especial attention, and which have been exemplified and established in the formation and working of a great many lines in this and other countries. It may be said that it is impossible accurately to determine the minimum of remunerative rates; and such, no doubt, is the fact. But extreme accuracy is not wanted; and it may, at all events, be established to the satisfaction of Parliament, of the public, and even of the shareholders themselves, that rates very far below those now prevalent may be established with perfect safety.

A tariff should be framed, on the results of this inquiry, applicable to all railways for which Acts have not yet been passed, and also to every existing railway that may apply to Parliament for new powers. Should there be circumstances peculiar to any given railway that would clearly justify a modification of the tariff rates, such modification should of course be made, whether for the advantage of the proprietors or of the public. The

right of revision of charges or of redemption should also be reserved to the public on terms similar to those adopted in France, or others more favourable for the state; and such minor stipulations for the general security and advantage as may be thought reasonable, should be adopted.

And as the French system, with all its restrictions, leaves an ample margin for speculative competition and for high premiums on shares, it should be considered whether that part of it, which provides for the reversion of the lines to the State after a certain number of years, may not be safely introduced into this country with immense advantage to the public.

Until a set of general rules, embodying these or similar provisions, has been sanctioned by Parliament, all Acts for lines which it may not be thought desirable to postpone, should be passed with the distinct proviso that these lines shall become subject to all the conditions of the improved system as soon as it is established.

It would be difficult to over-estimate the degree to which individual convenience and general prosperity may be promoted by a right policy on this subject; that is, by enforcing, in the case of the railways now before Parliament, the greatest degree of cheapness, immediate and remote, of security, and of every possible advantage, which the peculiarly favourable circumstances of our position enable us to secure. Perhaps the vast magnitude of the question with which Parliament has to deal may be best shown by comparing our railway revenue with the National Debt. The interest on the latter does not much exceed 28,000,000*l*. A capital of 560,000,000*l*. therefore, if producing 5 per cent, would yield a sufficient annual revenue to pay this interest.

Now, the cost of the railways already completed in

Great Britain and Ireland is about 70,000,000*l.*, and the estimated cost of the lines now in course of present construction is more than 60,000,000*l.* But it is the opinion of every one best acquainted with the subject, that the amount already vested in railways in this country is but a small part indeed of what will ultimately be required. The host of schemes now before Parliament confirms this view; at the same time that the actual revenue on the lines already completed, and the estimated revenue from those that are being made or before Parliament, considerably exceeds 5 per cent. And if we take into account the steadily progressive and apparently boundless increase of business on almost every line, it is more than probable that the receipts on our railways, after the system has been completed, will amount to a gigantic sum.

At all events, it may, I am satisfied, be unhesitatingly laid down that the total revenue of our railways, in some 20 or 30 years, will amount to a large proportion indeed of the interest on our Debt, or of 28,000,000*l.*; and it is neither absurd nor unreasonable to expect that it may even equal or surpass that amount. And if such be the case, it is plain that the adoption from the commencement of a system of terminable leases, which the experience of France has shown to be of easy introduction, would have relieved us within the present century, and perhaps in a much shorter time, from the burden of the whole or of the greater part of our Debt.

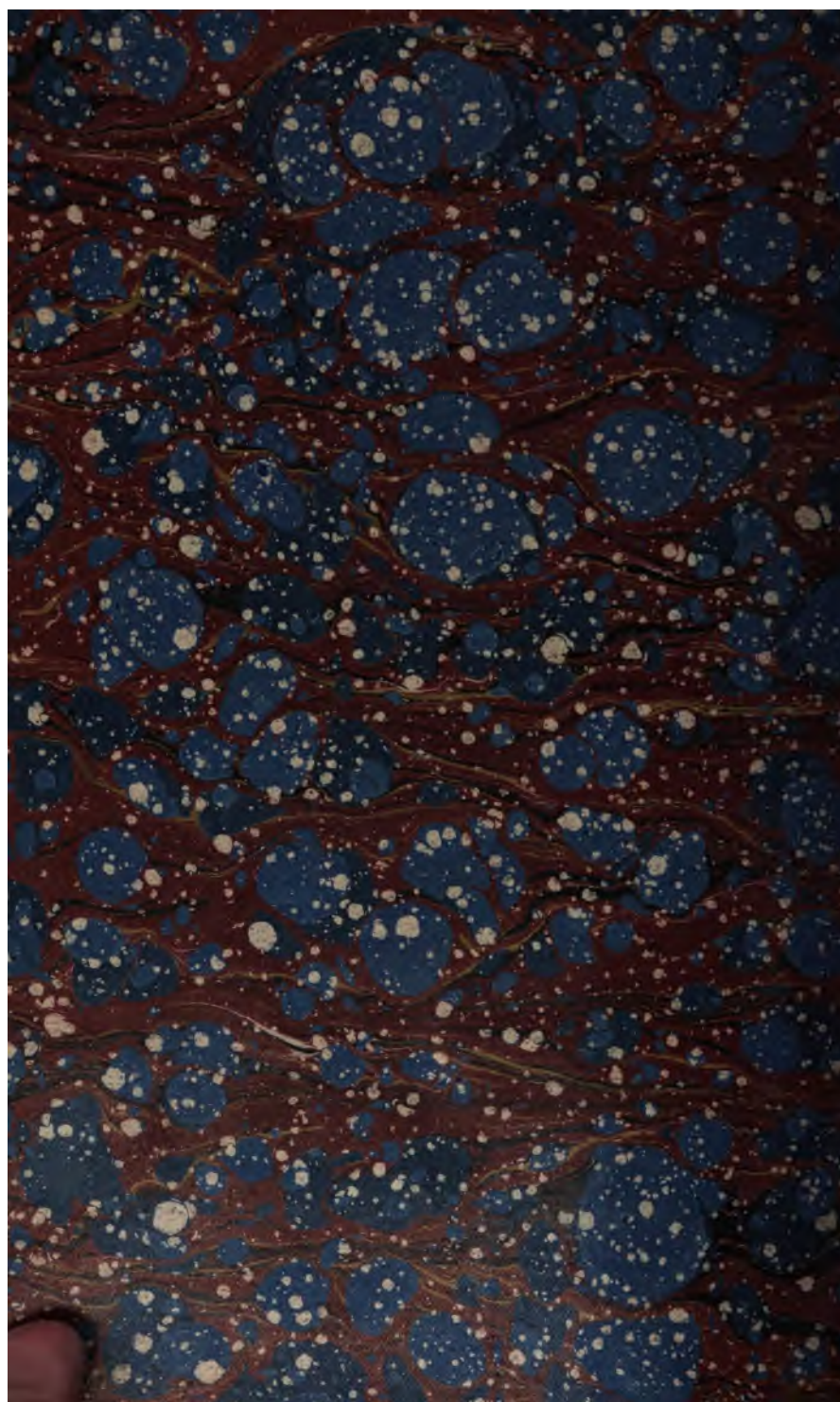
And happily, though we have neglected many opportunities for securing even a moderate portion of such gigantic advantages, we have still many in our power. We may deal as we please with the schemes now before Parliament; but if we neglect or throw away this opportunity of securing the public interests, none such can ever

again occur. I would, therefore, beg of the Legislature and the country not to neglect or evade their duty on this occasion. Let them no longer be amused by the alleged hazard of railways. If planned with the most ordinary judgment they are peculiarly safe investments. The monopoly of the producers is on the eve of being destroyed; and do not let us in the same session, and almost in the same breath, confirm a still more odious, more oppressive, and far more indefensible monopoly on the part of the public carriers. In dealing with railways Government and Parliament should have in view the single object of securing the best terms, immediate and ultimate, for the public. The shareholders, like the landholders, may safely be left to take care of themselves; and there is infinitely little fear of their being overreached, or of their becoming parties to a bad bargain.

It has been already seen that if the French system of conceding railway lines for terms of years had been adopted in this country, a revenue adequate, or more than adequate, to defray the interest of the National Debt, would, at no very distant period, have accrued to the public from railways. But, though we have hitherto unfortunately overlooked such immense advantages, that surely is no reason why we should continue to overlook them. On the contrary, it should make us more anxious and more determined to profit by the means still in our power; so that by the better husbanding of them we may, in as far as possible, repair the losses occasioned by our previous folly and shortsightedness.

It is for the interest of the railway companies that the existing system should be changed. It is not in the nature of things that it should be permitted to go on. Inordinate profits growing out of monopolies obtained from the want of knowledge or the carelessness of the Le-

gislatore, cannot continue for ever. They will be condemned in public opinion—an agitation will be commenced against them, and they will be suppressed amid the cheers of all except the few who may happen to profit by them. If the existing companies be not blind to the signs of the times, they will lose no time in reducing their fares and improving their accommodations; and if Parliament be not strangely neglectful of its most sacred duties and obligations, it will take care that in the establishment of new lines the public interests shall be effectually secured.





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